

**REMARKS/ARGUMENTS**

Claims **38, 41, 45-47, 50-54, 56-59, 62-68, and 71-75** are pending in this application. We have not amended or canceled any of the pending claims. For the convenience of the Examiner we have attached hereto an **Appendix** that includes a listing of the pending claims.

Accordingly, the following claims are under consideration:

- Independent claims **38, 58, and 67**.
- Dependent claims **41, 45-47, 50-54, 56-57, 59, 62-66, 68, and 71-75**.

**I. 35 U.S.C. § 103(a): Wiseman in view of Menzl**

At paragraphs 2-3, pages 2-5 of the Office Action, the Examiner rejects claims **38, 41, 45-46, 52, 57-59, 64, 67-68, and 73** under 35 U.S.C. § 103(a) as being unpatentable over Wiseman, U.S. Patent No. 5,168,446 (hereinafter Wiseman) in view of Vojtech Menzl, “Czech Republic - Environmental Protection Equipment” (hereinafter Menzl). The Examiner fails to establish a *prima facie* case of obviousness of any of claims **38, 41, 45-46, 52, 57-59, 64, 67-68, and 73**.

**A. INDEPENDENT CLAIM 38****1.0 Claim Limitation: “Make the order available...”**

Claim **38** recites in part:

*make the order available to at least a second participant for at least a predetermined period of time such that the second participant has the ability to trade against the order during at least the predetermined period of time;*

In rejecting claim **38** regarding these limitations, the Examiner asserts in part:

Menzl teaches in section 5.4.1, a time period during which bidders are bound with their offers. A person of ordinary skill in the art would understand this to mean that if their offer is accepted during this time, they must honor it. It is **implicit** that accepting the offer to make a deal is possible during this time and that it is not possible for the bidder to cancel during this time.

(emphasis added) Office Action, page 3.

Accordingly, the Examiner appears to assert that it is “implicit” from Menzl section 5.4.1 “that it is not possible for the bidder to cancel during this time” and that based on this apparent conclusion, Menzl section 5.4.1 discloses the above limitations of claim **38**.

Regardless of what the Examiner may mean by “implicit,” the Examiner fails to show that Menzl discloses “that it is not possible for the bidder to cancel during this time” and as such, fails to show that Menzl section 5.4.1 discloses the above limitations of claim **38**.

Accordingly, the Examiner fails to establish a *prima facie* case of obviousness of claim **38**.

### **1.1. Any Apparent Rejection Based on Inherency is Inadequate**

Specifically, assuming that by “implicit” the Examiner means “inherent,” we draw the Examiner’s attention to MPEP § 2112, which states in part:

The fact that a certain result or characteristic may occur or be present in the prior art is not sufficient to establish the inherency of that result or characteristic.... ‘In relying upon the theory of inherency, the examiner must provide a basis in fact and/or technical reasoning to reasonably support the determination that the allegedly inherent characteristic necessarily flows from the teachings of the applied prior art.’

MPEP § 2112 (IV) (internal quotes omitted).

The Examiner fails to comply with MPEP § 2112 in that the Examiner fails to provide any “basis in fact and/or technical reasoning to ... support a determination” that from the teachings of Menzl section 5.4.1 it “necessarily flows” “that it is not possible for the bidder to cancel during this time.” As such, any apparent rejection of claim **38** based on inherency is inadequate to establish a *prima facie* case of obviousness.

### **1.2. There are No Factual Findings to Support the Examiner’s Assertion**

In the alternative, assuming that by “implicit” the Examiner means that one skilled in the art would “understand” or interpret Menzl section 5.4.1 to “mean that” “it is not possible for the bidder to cancel during this time,” such an assertion is also inadequate to establish a *prima facie* case of obviousness because the Examiner’s assertion is merely conclusory unsupported by any factual findings, let alone factual findings supported by substantial evidence.

Specifically, the Federal Circuit has held that obviousness is a legal question based on underlying factual findings that must be supported by substantial evidence. In re Zurko, 258 F.3d 1379, 1383-84 (Fed. Cir. 2001) (“Obviousness is a legal question based on underlying factual determinations.... We review factual findings underlying [the legal determination of obviousness] for substantial evidence.”); see also MPEP § 2144.03 (“The standard of review applied to findings of fact is the ‘substantial evidence’ standard under the Administrative

Procedure Act (APA)”). Notably, in KSR the Court did not overrule this precedence. Rather, the Court, quoting the Federal Circuit with approval, reiterated that mere conclusory statements are insufficient on which to base a conclusion of obviousness. KSR Int’l Co. v. Teleflex Inc., 127 S.Ct. 1727, 1740-42 (S.Ct. 2007) (“[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.” (quoting In re Kahn, 441 F.3d 977, 988 (C.A.Fed. 2006))).

Similarly, the MPEP clearly articulates that obviousness is a question of law based on underlying factual findings. Specifically, MPEP § 2141 states in part:

**Obviousness is a question of law based on underlying factual inquiries. ...**

Office personnel fulfill the critical role of fact-finder when resolving the *Graham* inquiries. **It must be remembered that while the ultimate determination of obviousness is a legal conclusion, the underlying *Graham* inquiries are factual. When making an obviousness rejection, Office personnel must therefore ensure that the written record includes findings of fact concerning the state of the art and the teachings of the references applied.** In certain circumstances, it may also be important to include explicit findings as to how a person of ordinary skill would have understood prior art teachings, or what a person of ordinary skill would have known or could have done. **Factual findings made by Office personnel are the necessary underpinnings to establish obviousness.**

MPEP § 2141(II) (emphasis added).

The Examiner fails to provide any factual findings, let alone factual findings supported by substantial evidence, to support the assertion that one skilled in the art would imply from Menzl section 5.4.1 and/or understand or interpret Menzl section 5.4.1 to mean that “it is not possible for the bidder to cancel during this time.” As clearly articulated by the MPEP, by the Supreme Court, and by the Federal Circuit, without factual findings to support the Examiner’s assertion as to what Menzl section 5.4.1 may implicitly disclose, the assertion is merely conclusory and insufficient to establish a *prima facie* case of obviousness.

### **1.3. The Teachings of Menzl are Contrary to the Examiner’s Assertion**

Regardless of what the Examiner may mean by implicit, the teachings of Menzl are in contrast to and do not support the Examiner’s assertion that based on Menzl section 5.4.1, it “is implicit ...that it is not possible for the bidder to cancel during this time.” Specifically, we

draw the Examiner's attention to Appendix A of Menzl, which provides more details to Menzl section 5.4.1:

Evaluation time, defined as a time period during which bidders are bound with their offers, is uniform for all participants and without prolonging may not exceed 90 calendar days. This does not apply for the first three bidders, whose evaluation period is extended until the contract is signed. (Article 8)

...

Guarantee is forfeited if an applicant, in contradiction to this Act or the tender conditions, canceled or changed his bid or did not meet the obligation to sign the contract during the standard or extended evaluation time. (Article 26)

Menzl, Appendix A, pages 25-27.

As disclosed by Menzl in the above noted second paragraph, a bid may be canceled during the evaluation time, which is in contrast to the Examiner's assertion that it "is implicit ...that it is not possible for the bidder to cancel during this time."

Accordingly, for the foregoing reasons the Examiner fails to show that Menzl section 5.4.1 discloses "that it is not possible for the bidder to cancel during this time" and as such, fails to show that Menzl section 5.4.1 discloses the above limitations of claim **38**. Accordingly, the Examiner fails to establish a *prima facie* case of obviousness of claim **38**.

## **2.0 Claim Limitation: "determine that the command to cancel ..."**

Claim **38** further recites in part:

*determine that the command to cancel is received after the predetermined period of time; ...*

*determine that the command to cancel is received during the predetermined period of time;*

In rejecting claim **38** regarding these limitations, the Examiner asserts in part:

Wiseman teaches in col 19 lines 35-55 a period of time during which a cancel command is inoperative. In this case, the period of time is from the beginning of the proposal state until the proposal is changed.... When a period of time is bounded by events, and the terminating event is determined to have occurred, it is **implicit** that the period is determined to have terminated.

(emphasis added) Office Action, page 3.

Again, assuming that by “implicit” the Examiner means “inherent,” the Examiner fails to provide any “basis in fact and/or technical reasoning to ... support a determination” that from Wiseman column 19 lines 35-55, it “necessarily flows” that Wiseman determines the period of time to have terminated. In other words, even assuming, *arguendo*, that there is a period of time as the Examiner asserts, determining that the proposal is changed does not necessarily mean that Wiseman also determines that the period of time has terminated, nor does the Examiner provide any “basis in fact and/or technical reasoning to ... support [such] a determination” As such, any apparent rejection of claim **38** based on inherency is inadequate to establish a *prima facie* case of obviousness.

In the alternative, assuming that by “implicit” the Examiner means that one skilled in the art would understand or interpret Wiseman column 19 lines 35-55 to mean that Wiseman determines the period of time to have terminated, any apparent rejection based on this rationale is also inadequate to establish a *prima facie* case of obviousness because the Examiner fails to provide any factual findings, let alone factual findings supported by substantial evidence, to support this conclusory assertion. In other words, even assuming, *arguendo*, that there is a period of time as the Examiner asserts and that Wiseman may determine that the proposal is changed, it is purely conclusory to assert that one skilled in the art would imply from this and/or understand or interpret this to mean that Wiseman also determines that the period of time has terminated, let alone that Wiseman even determines a period of time. Determining that the proposal is changed is different from determining that the period of time has terminated.

In further rejecting claim **38** regarding the above limitations, the Examiner further asserts:

Further, as Wiseman teaches that a command to cancel is handled differently during this period, it is **implicit** to determine whether the command to cancel was received during or after the period in order to handle it correctly. It would have been obvious to a person of ordinary skill in the art at the time of the invention to interpret Wiseman to add determining that the command to cancel is received during or after the predetermined period of time.

(emphasis added) Office Action, pages 3-4.

Because the Examiner fails to show that Wiseman determines that the period of time has terminated (or that Wiseman even determines a period of time) as discussed above, the remainder of the Examiner’s rejection has no merit. Nonetheless, as similarly discussed above, the Examiner fails to provide any “basis in fact and/or technical reasoning to ...

support a determination” that from Wiseman column 19 lines 35-55 it “necessarily flows” that Wiseman “determine[s] whether the command to cancel was received during or after the period.” Accordingly, any apparent rejection of claim **38** based on inherency is inadequate to establish a *prima facie* case of obviousness. Similarly, it is purely conclusory to assert that one skilled in the art would imply from Wiseman column 19 lines 35-55 and/or understand or interpret Wiseman column 19 lines 35-55 to mean that Wiseman “determine[s] whether the command to cancel was received during or after the period.” Accordingly, any apparent rejection based on this rational is also inadequate to establish a *prima facie* case of obviousness.

Accordingly, for the foregoing reasons the Examiner fails to show that Wiseman column 19 lines 35-55 discloses the above limitations of claim **38**. Accordingly, the Examiner fails to establish a *prima facie* case of obviousness of claim **38**.

### **3.0 Claim Limitation: “not cancel the order ...”**

Claim **38** further recites in part:

*not cancel the order based at least in part on determining that the command to cancel is received during the predetermined period of time.*

With respect to these limitations the Examiner asserts in part:

The examiner wishes to note that not canceling an order is elimination of a function. Elimination of an element or its functions is deemed to be obvious in light of prior art teachings of at least the recited element or its functions (see *In re Karlson* ...).

Office Action, page 4.

Contrary to the Examiner’s assertion, In re Karlson does not apply to claim **38**. Specifically, the court in In re Karlson stated that with respect to prior art, “[i]t is well settled ... that omission of an element and its function in a combination is an obvious expedient if the remaining elements perform the same functions as before.” In re Karlson, 311 F.2d 581, 584 (CCPA 1963). The Examiner has not shown that the apparatus of claim **38** omits an element and its function of Wiseman and/or Menzl. More specifically, the recitation by claim **38** to “not cancel an order ...” is not an omission of an element and its function like that discussed in In re Karlson. As such, In re Karlson is not relevant and does not apply to claim **38**.

**B. INDEPENDENT CLAIMS 58 and 67**

The Examiner rejects independent claims **58** and **67** based on the same assertions discussed above for claim **38** and as such, the Examiner fails to establish a *prima facie* case of obviousness of these claims for the same reasons set forth above for claim **38**.

**C. DEPENDENT CLAIMS 41, 45-46, 52, 57, 59, 64, 68, and 73**

Because dependent claims **41, 45-46, 52, 57, 59, 64, 68, and 73** depend from independent claims **38, 58, and 67**, the Examiner fails to establish a *prima facie* case of obviousness of these claims for at least the same reasons as set forth above for claims **38, 58, and 67**.

**II. 35 U.S.C. § 103(a): Wiseman and Menzl in view of Bay**

At paragraph 4, pages 5-6 of the Office Action, the Examiner rejects claims **50-51, 53-54, 56, 62-63, 65-66, 71-72, and 74-75** under 35 U.S.C. § 103(a) as being unpatentable over Wiseman and Menzl in view of Bay, U.S. Patent No. 5,347,452 (hereinafter Bay). Because these claims depend from independent claims **38, 58, and 67**, the Examiner fails to establish a *prima facie* case of obviousness of these claims for at least the same reasons as set forth above for claims **38, 58, and 67**.

**III. 35 U.S.C. § 103(a): Wiseman and Menzl in view of Official Notice**

At paragraph 5, pages 6-7 of the Office Action, the Examiner rejects claim **47** under 35 U.S.C. § 103(a) as being unpatentable over Wiseman and Menzl in view of Official Notice. Because claim **47** depends from independent claim **38**, the Examiner fails to establish a *prima facie* case of obviousness of this claim for at least the same reasons as set forth above for claim **38**.

**IV. CONCLUSION**

In view of the remarks, we respectfully submit that the claims are in condition for allowance. We request that the application be passed to issue in due course. The Examiner is urged to telephone our undersigned representative at the number noted below if it will advance the prosecution of this application, or with any suggestion to resolve any condition that would impede allowance.

Respectfully submitted,

/Glen R. Farbanish/

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Date

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